

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: Association of California State Supervisors
(ACSS) a division of the California State
Employees Association (CSEA)

BILL NUMBER: SB 870
AUTHOR: M. Ridley-Thomas

BILL SUMMARY: State Employment: Adverse Actions

This bill would require that for an adverse action to be valid against an excluded employee, the adverse action against the excluded employee must be served within one year after the cause for discipline. Adverse actions based on fraud, embezzlement, or the falsification of records must also be served within one year after the discovery of the fraud, embezzlement, or falsification of records

FISCAL SUMMARY

This bill may have unknown state costs if the state's ability to investigate excluded employees for fraud, embezzlement, or the falsification of records is limited. This bill should have no net administrative fiscal impact. While it is possible that the shorter statute of limitations could result in fewer disciplinary actions because departments may not initially realize they have less time to initiate adverse actions, those would be temporary savings and relative to a very small percentage of state employees. Moreover, those minor savings would be offset by costs associated with training staff on the new law and reprinting manuals, pamphlets, etc. resulting in no net fiscal impact.

COMMENTS

The Department of Finance is opposed to this bill because it may interfere in the investigative process for adverse actions, which could cost the state money in the long run by limiting the state's ability to prosecute excluded employees for fraud, embezzlement, or the falsification of records. Investigations for these types of crimes often take more than one year because they require the analysis of year-end financial reports.

Existing law, Government Code Section 19635, provides that when adverse action is taken against a state employee, it must be served within three years of the cause for discipline, or within three years of the discovery of fraud, embezzlement, or falsification. SB 870 would change this requirement, requiring that adverse actions against excluded employees be served within one year of the incident giving rise to the discipline, or within one year of the discovery of fraud, embezzlement, or falsification. State peace officers are currently the only state employees subject to a one year requirement for adverse actions.

Proponents are concerned that allowing departments a three-year period to accrue enough evidence to substantiate an adverse action goes against the rights of all state employees to progressive discipline. The State Personnel Board has the authority to review adverse actions and hear appeals from employees subject to disciplinary action. As part of the appeals process, the Board ensures that state departments serve adverse actions in a timely manner according to the dictates of pertinent laws and rules.

Analyst/Principal (0932) K. Hansen	Date	Program Budget Manager Tom Dithridge	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

M. Ridley-Thomas

Original

SB 870

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	Code
9990/Var Depts	SO	No	-----	See Fiscal Summary				-----	0001